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# What Engagement Means For Media Companies

by Sarah Rotman Epps

for Consumer Product Strategy Professionals



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Forrester's Framework Measures Four Dimensions Of Engagement

by **Sarah Rotman Epps**

with Mark Mulligan and Dan Wilkos

### EXECUTIVE SUMMARY

Media companies are investing more in social media, video, rich Internet applications, and other initiatives to drive online engagement. But what does engagement really mean for media companies, and what's the best way to measure it? As Web analytics gurus and industry experts have noted, defining and measuring engagement can be a complex undertaking. In practice, media companies tend to distill engagement into just a few crude metrics, like page views and time spent. But this shortcut doesn't account for the complexity of interaction with media, and it doesn't adequately connect the dots between investment and revenue return. Forrester defines engagement in four dimensions — involvement, interaction, intimacy, and influence — each built from online and offline data sources. This report will demonstrate how media services professionals can apply Forrester's engagement framework to drive business benefits in ad sales, audience growth, and content development.

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### NOTES & RESOURCES

Forrester interviewed media companies, agencies, and vendors for this report, including Carat, Dynamic Logic, The Economist Newspaper, InsightExpress, MTV Networks, The New York Times, Razorfish, and Warner Bros. Entertainment.

#### Related Research Documents

["Measuring Engagement"](#)

June 10, 2008

["Five Tools And Technologies To Measure Engagement"](#)

April 22, 2008

["Marketing's New Key Metric: Engagement"](#)

August 8, 2007

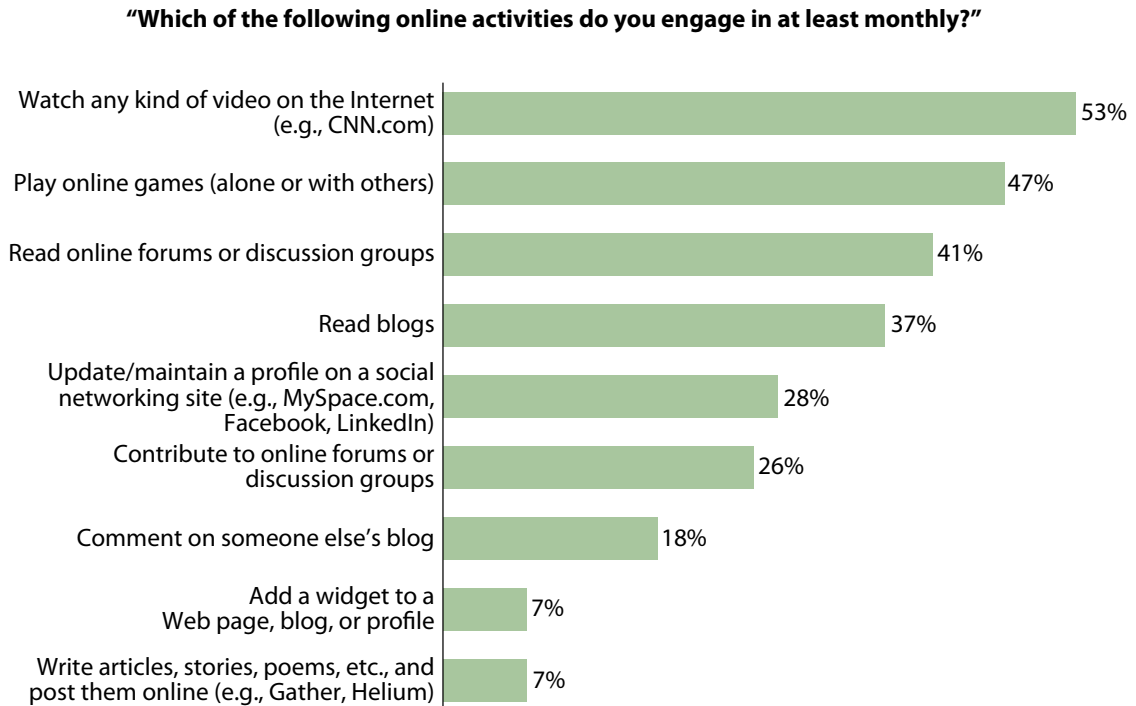
## MEDIA COMPANIES STRUGGLE TO DEFINE AND MEASURE ENGAGEMENT

More than half of US households now have broadband Internet connections at home.<sup>1</sup> Those high-speed connections are enabling a range of dynamic activities: 53% of US online consumers watch online video, 47% play online games, and 28% maintain a social networking profile at least monthly (see Figure 1). What's more, consumers regularly share content like links, photos, and news stories with others (see Figure 2). Both advertisers and media companies — i.e., publishers — acknowledge that the old metrics of page views and impressions are insufficient to account for the complexity of consumer interaction with advertising and content online. Web analytics gurus, industry experts, and the advertisers and publishers themselves are looking at engagement as a new paradigm for describing and measuring consumer behavior online.<sup>2</sup>

Media publishers agree that engagement is important. But what is it, exactly? As Jeffrey Graham, executive director of customer insight at *The New York Times*, put it: “Engagement is like love — everyone agrees it's a good thing, but everyone has a different definition of what it is.” That ambiguity creates opportunities for publishers that take the initiative to define it for themselves and for the industry, as companies like MTV Networks (MTVN) and Warner Bros. Entertainment have done.<sup>3</sup> But the ambiguity of the engagement concept also has the potential to create a lot of work without a clear link to business benefits. To determine the current state of what engagement means for media, we interviewed executives at legacy print, TV, and online-only media companies as well as agencies and vendors. We found that when it comes to engagement, many publishers:

- **Struggle to formally define engagement.** Publishers that have multiple brands, products, and channels may see a range of consumer behavior, and it can be difficult to arrive at one definition of engagement that addresses all scenarios. For example, a women's magazine site that launches a blog may see low engagement in terms of reader comments on its own site, but the same content that is syndicated to a partner like Yahoo! Shine may get much more reader interaction. Publishers struggle to form a standard definition of engagement that accounts for a range of scenarios and has traction with advertisers.
- **Measure what they can, and not necessarily what they should.** Without a more comprehensive definition, publishers use metrics like click depth and time spent to approximate engagement. But these metrics in isolation can be misleading. For example, if a site is well-organized and users find what they're looking for right away, their time spent on the site will be minimal. However, if users then post that content to their Facebook profile, their influence on others will be substantial. Time spent is an easier metric to capture, and it's one that advertisers are more likely to understand than influence on friends on Facebook. But it doesn't describe user engagement in its entirety. As one publisher we spoke with said: “If you are really focused on a single metric, it can lead you in the wrong direction.”

**Figure 1** Consumers Engage In A Variety Of Dynamic Activities Online



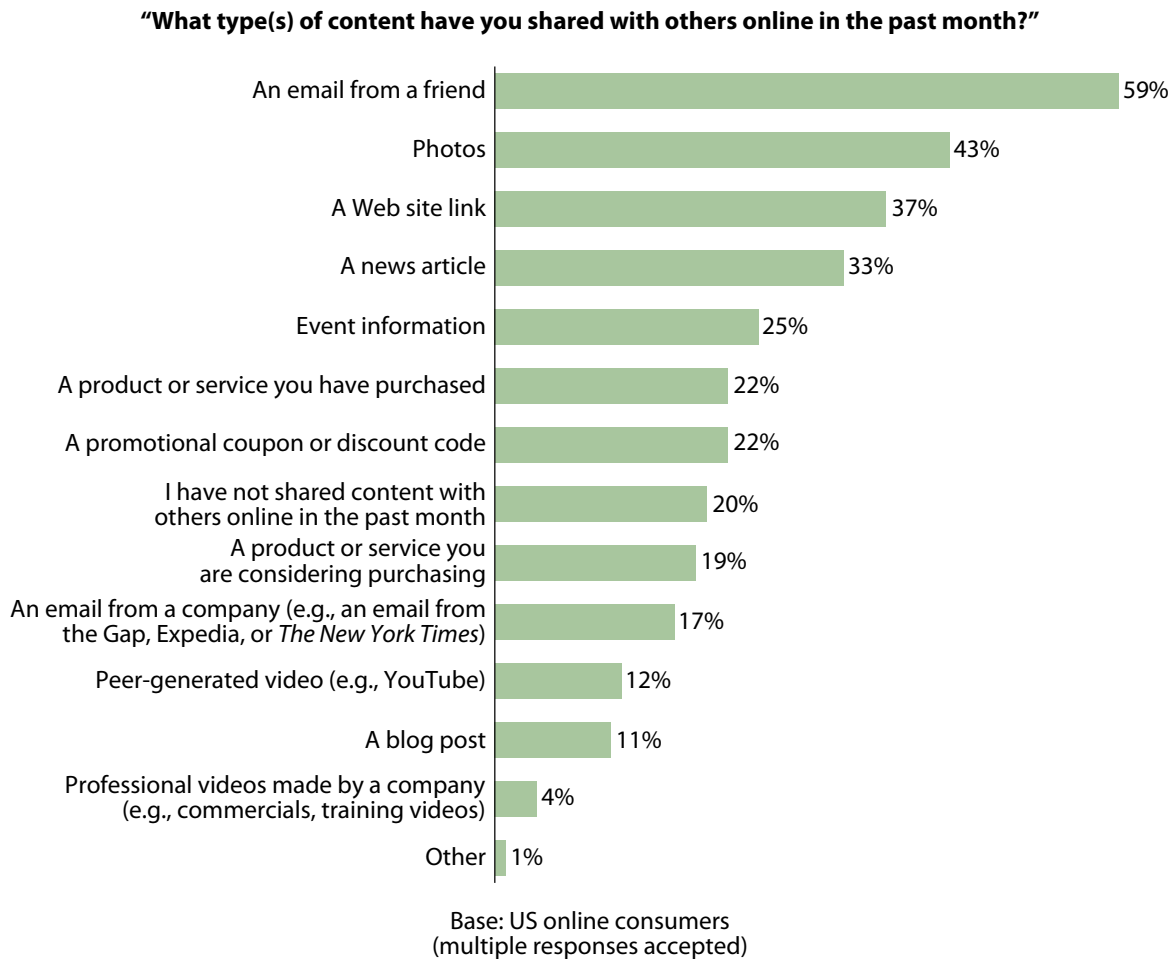
Base: US online consumers  
(multiple responses accepted)

Source: North American Technographics® Media And Marketing Online Survey, Q2 2008

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Source: Forrester Research, Inc.

**Figure 2** Consumers Regularly Share Content With Others



Source: North American Technographics® Media And Marketing Online Survey, Q2 2008

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Source: Forrester Research, Inc.

**FORRESTER’S FRAMEWORK DEFINES FOUR DIMENSIONS OF ENGAGEMENT**

Media companies should not define engagement in terms of a single metric. They should instead define it as a framework that links together a host of metrics, which collectively describe the extent to which audiences participate with content and advertising. In 2007, we defined engagement as follows:

*Engagement is the level of involvement, interaction, intimacy, and influence that an individual has with a brand over time.*<sup>4</sup>

In a media-specific context, the brand element with which users engage is more likely to be the *content* rather than the *publisher*. For example, fans of the show *Top Chef* engage with the characters on the show by text messaging live with the contestants or reading and commenting on the judges' blogs. Bravo is the network and the platform facilitating these conversations, but the deepest engagement happens at the level of the content, not the publisher.

Forrester has identified four dimensions of audience engagement with content, each of which incorporates quantitative and qualitative data sources (see Figure 3). The four dimensions — the four I's — of Forrester's engagement framework are:

- **Involvement: the presence of a person at various brand touchpoints.** Involvement can include metrics such as visitors to a site or application, page views or page-view equivalents per visitor, time spent per session or per application, and repeat visitors. Additional metrics can include frequency of visit, subscriptions (to publications, email, RSS, or other services), TV viewership, mobile application use, and content consumption through syndication partners. Ideally, companies should move toward understanding involvement from a cross-channel perspective, integrating data from online and offline sources including Web analytics, subscriber data, and customer surveys. They should also integrate audience data from a third party like Nielsen or comScore if the site has a large enough user base.
- **Interaction: the actions of a person at various brand touchpoints.** Interaction can include metrics such as actions within a page, videos played, community contributions, ratings, reviews, votes submitted, photos or videos uploaded, text messages sent, quizzes taken, recipes saved, subscriptions renewed, and so on. To gauge these metrics accurately, it's crucial that Web analytics are able to track interactions at a level deeper than the URL. As Michelle Kramer, vice president of analytics in media research at Warner Bros. Entertainment, said: "We've had to educate developers about customizing codes to create different tags for applications and site sections. This took a lot of time, but it's been worth it." Beyond Web analytics, measuring interactions will also require integrating data from third parties, such as companies that host video players and social media applications if they are tracked separately.
- **Intimacy: the affection of a person for a brand.** Intimacy can include metrics such as: sentiment measured in blog posts, blog comments, and discussion forums; call-center feedback; the percentage of Web visits that begin at the site directly (with no referring URL); and search traffic that comes from a branded search term. Data sources for tracking these types of metrics can come from brand or buzz monitoring services, biometrics, survey responses, focus groups, and voice-of-the-customer programs.<sup>5</sup>
- **Influence: the likelihood of a person to advocate on behalf of the brand.** Influence metrics can include tracking forwarded content, tagged content, widget and video embeds, friends or fans in social networks, the rate at which content spreads over time, satisfaction ratings or Net Promoter scores, and gift subscriptions, among others. Data sources for measuring influence can include in-house surveys, third-party market research providers, and the tracking of capabilities in social applications or rankings on social tagging sites such as Digg and Delicious.

**Figure 3** The Four Components Of Media Engagement

Involvement	Interaction	Intimacy	Influence
<b>What to track</b>			
<ul style="list-style-type: none"> <li>• Visitors to a site or application</li> <li>• Page views or page-view equivalents per visitor</li> <li>• Time spent per session or per application</li> <li>• Repeat visitors</li> <li>• Frequency of visit</li> <li>• Subscriptions (to publications, email, RSS, or other services)</li> <li>• TV viewership</li> <li>• Mobile application use</li> <li>• Content consumption via syndicated partners</li> </ul>	<ul style="list-style-type: none"> <li>• Actions within a page</li> <li>• Videos played</li> <li>• Community contributions</li> <li>• Ratings, reviews, and votes submitted</li> <li>• Photos or videos uploaded</li> <li>• Text messages sent</li> <li>• Quizzes taken</li> <li>• Content saved or tagged</li> <li>• Subscriptions renewed</li> </ul>	<ul style="list-style-type: none"> <li>• Sentiment measured in blog posts, blog comments, and discussion forums</li> <li>• Call-center feedback</li> <li>• Search traffic that comes from a branded search term</li> </ul>	<ul style="list-style-type: none"> <li>• Forwarded content</li> <li>• Tagged content</li> <li>• Widget and video embeds</li> <li>• Friends or fans in social networks</li> <li>• The rate at which content spreads over time</li> <li>• Satisfaction ratings</li> <li>• Net Promoter scores</li> <li>• Gift subscriptions</li> </ul>
<b>How to track</b>			
Web analytics, third-party audience data, subscriber data, and customer surveys	Web analytics, video platforms, social media platforms, and mobile analytics	Brand or buzz monitoring services, biometrics, survey responses, focus groups, and voice-of-the-customer programs	Social media platforms, brand/buzz monitoring services, and surveys

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Source: Forrester Research, Inc.

## MEDIA COMPANIES THAT EMBRACE ENGAGEMENT REAP BUSINESS BENEFITS

From our conversations with media companies, we've identified competencies that characterize three stages of organizational maturity in describing and measuring engagement (see Figure 4). Media companies that make engagement a core competency reap business benefits in terms of:

- **Establishing value for advertisers.** MTVN uses surveys to measure user engagement with content and advertising across channels, including TV, online, mobile, virtual worlds, events like MTVN's *Video Music Awards*, or shows like Comedy Central's *The Daily Show*. Through its survey methodology, MTVN has established that engaged users — which MTVN defines in terms of emotional connection, aspirational fit, and levels of behavioral interaction with the content — are more likely to remember advertisements, internalize the message, and be motivated by the message, compared with users who are less engaged.
- **Retaining and acquiring customers.** In addition to establishing the value of an engaged audience for advertisers, MTVN's surveys link audience engagement to other business benefits like customer retention and acquisition. MTVN found that engaged audiences are more likely to stick with a show, talk about the show with friends, and spread word-of-mouth buzz about the show online. In addition to using surveys, this type of influence can be measured by looking at metrics like pass-along rates, embeds, friends or fans in social networks, and click-through rates from shared content.
- **Justifying investment in content and function.** Having a standard definition of engagement allows publishers to justify investment in new content and function and to make the case for redesigning or discontinuing features that aren't working. For example, relatively few users may take advantage of mobile applications. But if the users who do are highly engaged — which can be linked to better advertising response, customer loyalty, and word-of-mouth referral — then publishers can use that data to help justify investment in the mobile channel. Alternatively, if features like widgets have demonstrably low engagement, it's easier to make the case for discontinuing investment in them. As Michelle Kramer from Warner Bros. Entertainment put it: "Thank goodness we don't have to go on gut anymore."

**Figure 4** The Engagement-Maturity Self-Test For Media Organizations

**Which characteristics most closely resemble your organization?**

<b>Level 1: Laggards</b>
<input type="checkbox"/> Have no organizationwide framework for defining engagement
<input type="checkbox"/> Focus exclusively on page views and time spent to measure engagement
<input type="checkbox"/> Collect other metrics (e.g., community contributions, satisfaction scores) but don't link them to business benefits
<b>Level 2: Strong Performers</b>
<input type="checkbox"/> Have a standard framework for engagement that is used companywide
<input type="checkbox"/> Incorporate metrics from each of the four I's
<input type="checkbox"/> Focus on metrics that matter, which will vary based on context
<input type="checkbox"/> Use engagement metrics to evaluate investment in content and functionality
<input type="checkbox"/> Use surveys to establish the value of the engaged audience for advertisers
<input type="checkbox"/> Disseminate engagement reporting to ad sales, site owners, and other key personnel
<b>Level 3: Industry Leaders</b>
<input type="checkbox"/> Measure engagement across channels (e.g., online, print, TV, mobile)
<input type="checkbox"/> Index or benchmark metrics to track growth over time for each of the four I's
<input type="checkbox"/> Actively work with advertisers, agencies, and industry associations to establish appropriate shared metrics for engagement

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Source: Forrester Research, Inc.

## RECOMMENDATIONS

### PUT FORRESTER'S ENGAGEMENT FRAMEWORK INTO ACTION

Adopting the four I's as a framework for engagement is just the first step. To get the most value from the framework, media services professionals need to:

- **Integrate quantitative and qualitative data sources.** Media companies are flush with data — from Web analytics, third parties, surveys, and focus groups. The value of the four I's is that they provide a framework for organizing and synthesizing data from multiple sources to help companies focus on the variables that really matter.

- **Disseminate the engagement framework and metrics across the organization.** Every brand, product, and function at an organization should speak the same language regarding engagement. For example, Warner Bros. Entertainment has a media research group that disseminates engagement data and insights throughout the organization, including to site technology owners and their development teams, site general managers, ad sales teams, and its worldwide marketing group. Having a shared language for engagement enables its brands to share best practices internally. For example, if a game application is working well with a particular demographic on one site, it applies that learning to drive engagement on another site that serves a similar audience.
- **Segment the audience and establish baselines to track over time.** It takes time to collect enough data to have meaningful benchmarks, so segmentation and tracking represent a next practice for most companies. But a goal to work toward is having an index for each of the four I's. Companies can thus track growth rates over time for involvement (more people using the site or application), interaction (people doing more with what a company is offering), intimacy (people feeling more emotionally involved), and influence (more people telling others about a company's content).
- **Link engagement to business benefits.** Media services professionals can — and should — test whether or not engagement is linked to business benefits. For example, when fielding surveys to Web site visitors, include questions about the four I's and test their association with business benefits such as customer retention (are engaged users more likely to stick with you?), acquisition (are engaged users more likely to tell other people about you?), and value (are engaged users more likely to be paid subscribers, or are they more likely to respond favorably to your advertising partners?).
- **Evangelize engagement to agencies and advertisers.** While advertisers like Procter & Gamble are talking more about engagement, the reality is that many advertisers and agencies are stuck in a page-view mindset. It takes active outreach to agencies — and, through them, to advertisers — to communicate the value of engagement metrics and convince them to buck the page-view trend in their media buys.

## ENDNOTES

- <sup>1</sup> In 2008, 56% of North American households had broadband home Internet connections. See the July 21, 2008, "[Benchmark 2008: Broadband Dominates The Home Internet Access Market](#)" report.
- <sup>2</sup> Eric Peterson's blog, *Web Analytics Demystified*, provides an excellent discussion of the evolution of engagement metrics (<http://blog.webanalyticsdemystified.com/>).
- <sup>3</sup> In 2007, MTVN partnered with Harris Interactive and MauroNewMedia to pioneer a survey methodology to define and measure engagement and its relationship to business benefits. MTVN presented the findings at The Advertising Research Foundation's Audience Measurement 3.0 conference. Source: "The Next Wave in Media Measurement And Engagement: Multi-Screen Engagement Study . . ." MTVN press release, June 25, 2008 (<http://www.reuters.com/article/pressRelease/idUS180485+25-Jun-2008+BW20080625>).

- <sup>4</sup> Forrester defined engagement for marketers and demonstrated how to measure it. See the August 8, 2007, “Marketing’s New Key Metric: Engagement” report.
- <sup>5</sup> Many companies say that they don’t have a good connection with customers. That’s why firms should consider developing a systematic approach for incorporating the needs of customers into the design of customer experiences; what Forrester calls a voice-of-the-customer program. See the February 8, 2007, “Building Your Voice Of The Customer Program” report.

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